

08/01/2005 16:19 POWERS MCNALIS AND TORRES → 18132293692P8516

NO.279 0002

POWERS, MCNALIS & TORRES

A T T O R N E Y S A T L A W

August 1, 2005

Via Certified Mail Return Receipt
Requested and Regular Mail

Tiara Condominium Association
 c/o William Merlin, Esquire
 Merlin Law Group
 777 S Harbour Island Blvd.
 Suite 950
 Tampa, FL 33602

RE: Insured : Tiara Condominium Association
 Policy No. : FLD1042527
 Claim No. : 163925
 Date of Loss : September 26, 2004

Dear Mr. Merlin:

This letter is to advise you that we represent Citizens Property Insurance Corporation ("Citizens"). Citizens previously advised its insured, Tiara Condominium Association, that Citizens was reserving all of its rights under the policy of insurance and reminded the insured that the claims being submitted by the insured for damage caused by Hurricanes Frances and Jeanne are subject to all of the policy terms, conditions, limitations and exclusions, and that the insured would be required to comply with the policy terms and conditions.

Citizens further advised the insured that any actions taken by any Citizens representatives to investigate the loss, to determine the amount of loss or damage, or to attempt to adjust any claims arising out of the loss, shall not waive any of the terms, conditions, limitations or exclusions of the policy of insurance, nor shall any such actions waive any of Citizens' rights under the policy. Further, any investigation, damage determination, or emergency/advance payments to Tiara Condominium Association are not and should not be construed by the insured as a waiver of any of the policy terms and conditions. In fact, coverage for damages, as well as the respective rights and obligations of the parties to the contract of insurance, are governed by the terms and conditions of the policy. This letter is not intended to waive any of the policy terms and conditions, nor should it be construed as a waiver of any of Citizens' rights, all of which are expressly reserved.

1601 Belvedere Road / Suite 500 S / West Palm Beach, Florida 33406
 Mailing Address: P.O. Box 21289 / West Palm Beach, Florida 33416-1289
 (561) 588-3000 / (888) 588-3003 / Fax (561) 588-3705

EXHIBIT

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We have been directed to inform you that Citizens has recently made a final payment in the amount of \$9,478,332.07. The property is covered by Citizens Commercial Wind Only Policy bearing Policy Number 1308219 with an effective date of June 1, 2004. The policy provides for coverage limits in the amount of \$49,970,530 with a 3% hurricane deductible provision. Prior payments totaling \$40,492,197.93 were previously issued to the insured.

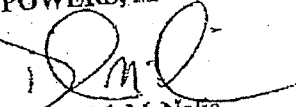
Payments have been made in accordance with the terms, conditions and limitations contained in the above-referenced policy, Citizen's adjustment of the insured's claims, and based upon Florida law. It is Citizen's position that there is only one (1) policy limit available and that the payments made reflect the total amount of policy limit available for all claimed hurricane losses.

Again, nothing herein constitutes, nor should it be construed as a waiver of any of the rights of the Citizens Property Insurance Corporation under its policy of insurance, nor is it the purpose of this letter to waive any of the policy terms and conditions.

If you have any questions, please call.

Very truly yours,

POWERS, McNALIS & TORRES


Daniel M. McNalis
For the Firm

DMM/SHL/sh
cc: Tiara Condominium Association Board of Directors
c/o Dr. Susan Bennett, President
Citizens Property Insurance Corporation

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